GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4866
ANSWERED ON:24.08.2001
FINANCIAL INSTITUTION`S INVESTMENT
RAMJI LAL SUMAN;SUSHIL KUMAR INDORA

Will the Minister of FINANCE be pleased to state:

(a) whether capital is invested in the Private as well as Governmentcompanies by the financial institutions under the control and supervision of the Government;

(b) if so, the extent to which these institutions have invested their capital in the Government as well as private companies during each of the last three years; (

(c) whether guidelines have been laid down for investing capital by these financial institutions; and

(d) if so, the details thereof and names of the financial institutions who had ignored these guidelines during the aforesaid period?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): The information is being collected and will be laid on the Table of the House to the extent available.

(c) & (d): There are no specific guidelines for investment of funds raised by financial institutions from various sources except in case of infrastructure bonds (Tax Saving under Section 88 of IT Act) where the amount borrowed has to be invested in Infrastructure Sector within three years. IDBI & ICICI havefollowed the guidelines in respect of infrastructure bonds by investing the full amount raised in infrastructure bonds in infrastructure sector.